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Richard W. Revels, Jr.
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July 24, 2007

Honorable James H. Welsh
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, LA 70804-4275

Re: Bathysiphon Zone, Reservoir A
Cibicides Hazienda Zone, Reservoir A
NORTH CHALKLEY FIELD
Jefferson Davis Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **KRESCENT ENERGY COMPANY, LLC** for the calling of public hearings, after legal notice, to consider evidence relative to the issuance of orders pertaining to the following matters relating to the Bathysiphon Zone, Reservoir A, and the Cibicides Hazienda ("Cib Haz") Zone, Reservoir A, all in the North Chalkley Field, Jefferson Davis Parish, Louisiana:

Bathysiphon Zone, Reservoir A

1. To create one (1) additional drilling and production unit for the Bathysiphon Zone, Reservoir A, in the North Chalkley Field, Jefferson Davis Parish, Louisiana, said proposed unit designated BATH RA SUB, as shown on the plat attached hereto and made a part hereof.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.
3. To extend to the proposed additional unit for the Bathysiphon Zone, Reservoir A, all pertinent provisions of Office of Conservation Order No. 687-H, effective January 9, 2007, and applicable Statewide Orders.
4. To consider such others matters as may be pertinent.

The Bathysiphon Zone, Reservoir A, in the North Chalkley Field, Jefferson Davis Parish, Louisiana, was previously defined in Office of Conservation Order No. 687-H, effective January 9, 2007.

Cibicides Hazardi Zone, Reservoir A

1. To establish rules and regulations and to create a single drilling and production unit for the exploration for and production of gas and condensate from the Cib Haz Zone, Reservoir A, in the North Chalkley Field, Jefferson Davis Parish, Louisiana, said proposed unit designated CIB H RA SUA, as shown on the plat attached hereto and made a part hereof.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.
3. To provide that any wells drilled to the Cib Haz Zone, Reservoir A, within or outside the unit created herein, should be located in accordance with the spacing provisions of LAC 43:XIX.1901 et seq. (Statewide Order No. 29-E).
4. To provide that the Commissioner of Conservation should be authorized to reclassify the Cib Haz Zone, Reservoir A, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir changes and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
5. To consider such others matters as may be pertinent.

The Cibicides Hazardi Zone, Reservoir A, in the North Chalkley Field, is hereby defined as being the stratigraphic equivalent of that gas and condensate bearing zone encountered between the depths of 12,620 feet and 13,510 feet (electrical log measurements) in the TXO Production Corporation – Miller-Langley No. 1 Well, located in Section 33, Township 11 South, Range 6 West, Jefferson Davis Parish, Louisiana.

Any pertinent data, including well logs, not available from the Office of Conservation, may be obtained **AT THE COST OF THE REQUESTING PARTY** from W. H. Robbins & Associates, L.L.C., 302 La Rue France, Lafayette, Louisiana 70508, Telephone Number (337) 232-5004.

Pursuant to the Rules of Procedure, a pre-application conference was held on July 11, 2007, in Lafayette, Louisiana at which the parties named on the attached list were in attendance. The conference was opened by representatives of the applicant who explained the bases for the applicant's proposals. Questions were asked and answered. Jim Hardwick, representing Yuma Exploration & Production Company, Inc., presented a counterplan regarding the proposed BATH RA SUB, suggesting a modification of the south unit boundary. No opposition was expressed by anyone in attendance to the proposed CIB H RA SUA. The conference was then adjourned. Since the conference, the applicant has agreed to modify the south boundary of the proposed BATH RA SUB as requested by Yuma, as shown on the revised plat attached hereto and made a

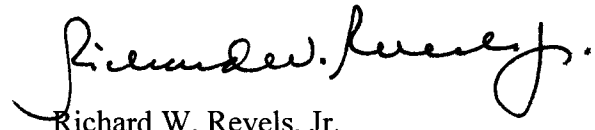
July 24, 2007

part hereof this application. No change has been made to the proposed unit for the Cibicides Hazard Zone, Reservoir A. The applicant is not aware of any remaining opposition.

Attached hereto and made a part hereof are plats outlining the applicant's proposals, the conference attendance list, and a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom a copy of this application notice is being mailed. Pursuant to the Revised Rules of Procedure, the list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation; however, the list of parties will be furnished to any party requesting copies. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed is our check in the amount of \$1,510.00 made payable to the Office of Conservation submitted on behalf of the applicant representing the hearing application fee.

Very truly yours,

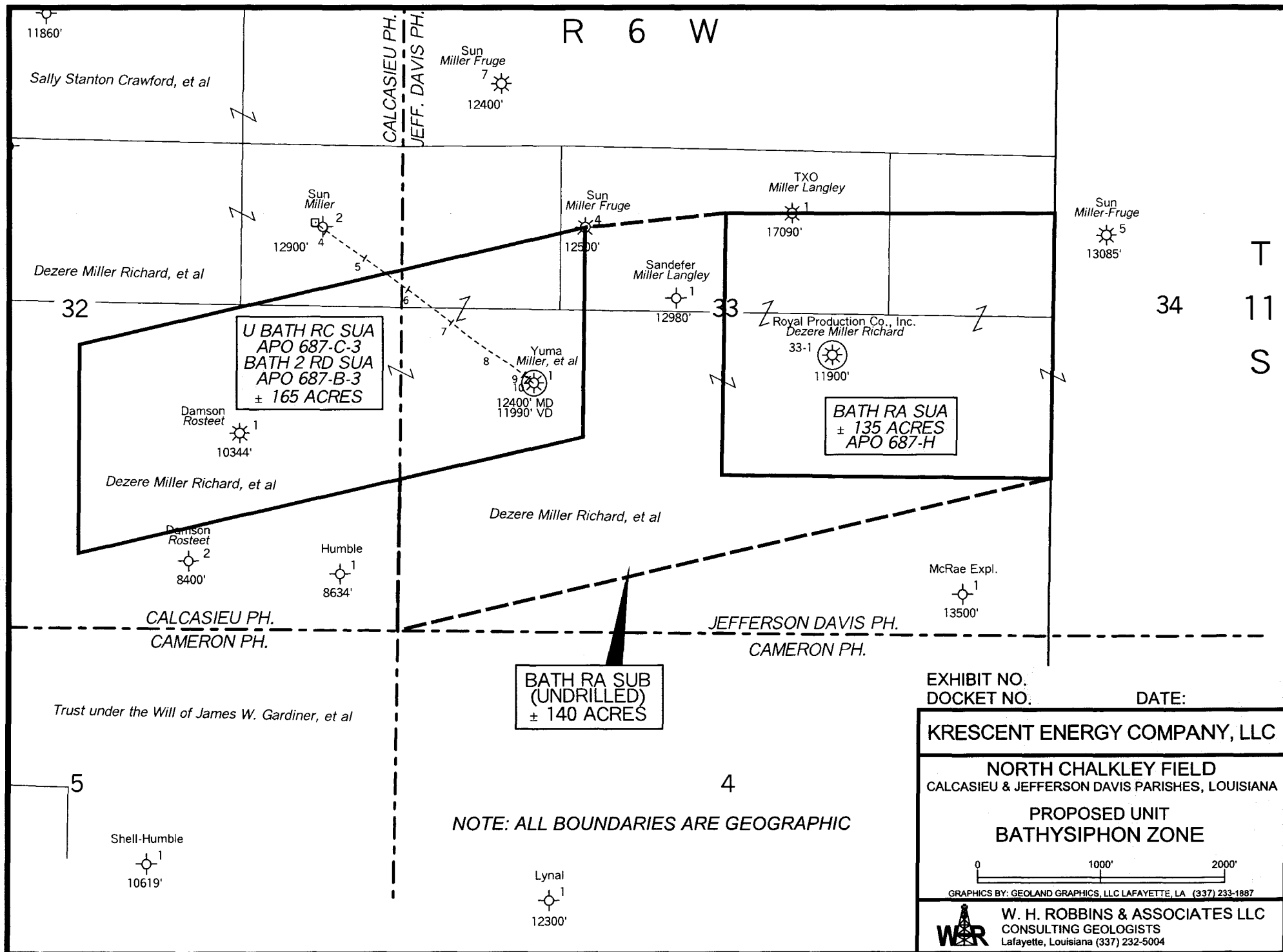


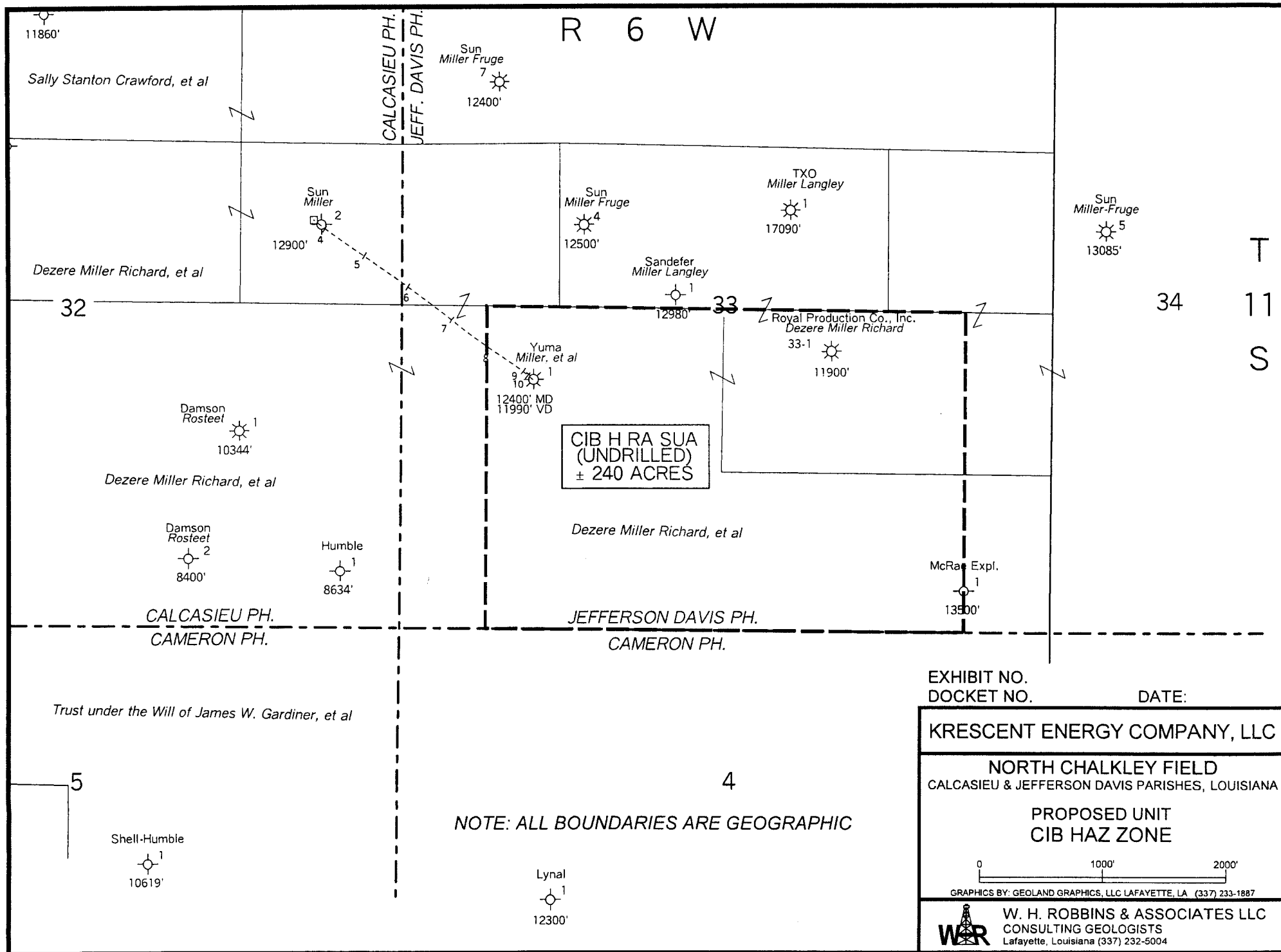
Richard W. Revels, Jr.

RWRjr/df
Attachments

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cc: Mr. Richard Hudson, Lafayette District Office of Conservation
cc: Interested Owners, Represented Parties, and Interested Parties





NOTE: ALL BOUNDARIES ARE GEOGRAPHIC

EXHIBIT NO. _____
DOCKET NO. _____ DATE: _____

KRESCENT ENERGY COMPANY, LLC

NORTH CHALKLEY FIELD
CALCASIEU & JEFFERSON DAVIS PARISHES, LOUISIANA

PROPOSED UNIT
CIB HAZ ZONE

0 1000' 2000'

GRAPHICS BY: GEOLAND GRAPHICS, LLC LAFAYETTE, LA (337) 233-1887

W. H. ROBBINS & ASSOCIATES LLC
CONSULTING GEOLOGISTS
Lafayette, Louisiana (337) 232-5004